

HEALTH PLAN TRANSPARENCY AND ACCOUNTABILITY

Excerpt from "A New Benefit Platform for Life Security"

"Health plans play a vital role in managing the interface between financing and health care delivery. Health plan administrators must be held accountable for their claims administrative practices, including overhead costs, delayed claims payments, errors, lost claims, and aggressive denial of claims. In any system, plans should not be financially advantaged simply because they become expert in denying payment for legitimate claims or they are slow or sloppy in their adjudication practices. There is very little information publicly available, however, about the relative performance of health plans. ERIC proposes uniform standards be developed through a collaborative process between the public- and private-sector stakeholders to measure and report, among other things, the following:

- Full disclosure of expense loadings for each plan
- The number and cost of denied claims
- The cost of denied claims that is transferred to providers
- The average out-of-pocket expense incurred by participants in each standard plan
- The relative efficiency and quality of claims administration and other administrative processes for each Benefit Administrator
- Consumer assessments of each Benefit Administrator."

Source: The ERISA Industry Committee, "A New Benefit Platform for Life Security"

(Washington, D.C.: 2007), 24, accessed 5/9/08 at

http://www.eric.org/forms/uploadFiles/ccea00000007.filename.ERIC_New_Benefit_Platform_FL0614.pdf. ("The ERISA Industry Committee (ERIC) is a membership organization representing the employee benefit plans of America's largest employers." p. ii.)